



April 21, 2008

Commissioner Deborah Tate  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Commissioner Tate:

Thank you for taking the time to speak with me recently regarding newly adopted and proposed rules related to public interest disclosure requirements and localism and their potential impact on Oregon Public Broadcasting and similar organizations. As you requested, we have undertaken an analysis of the costs and effort involved in meeting the program reporting and public file posting obligations required by the Report and Order of January 24, 2008 in MM Docket 00-168, as well as the requirements that are contemplated in the Notice of Proposed Rulemaking which was released at the same time in MB Docket No. 04-233.

#### 1. Background

Oregon Public Broadcasting operates five non-commercial educational television stations and nine NCE radio stations. OPB serves the Portland metropolitan area (the 23<sup>rd</sup> largest radio and television market in the U.S.) while simultaneously serving many of Oregon's most rural and remote communities. Oregon's population density is 44% of the national average (35 people per square mile compared to 81 nationally), ranking 40<sup>th</sup> among all states. In rural Eastern Oregon, small communities are widely-dispersed with perhaps 50 (or more) miles between communities of 3000 or fewer.

The cost of operating OPB's broadcast facilities across the state varies considerably. In the Portland metropolitan area, it costs 48 cents per home per year to provide broadcast service, while in rural eastern Oregon the cost is 11 times higher (\$5.42 per home per year). The economics of serving the rural portions of Oregon provide a significant burden to OPB and are so unfavorable that commercial broadcasters have extremely limited geographic reach. In some areas of the state, OPB is the only broadcast presence, and the only source of local news, information and emergency broadcast services.

FCC rule changes made in 1995 permit remote operation of broadcast stations. That rule change and the waivers of the main studio rule granted to OPB (and many other statewide and regional public broadcasters) over many years have given OPB the ability to serve the rural and remote communities of Oregon, particularly since the level of government support that we receive is exceptionally small. For many years, OPB received annual operating support from the State of Oregon, largely to subsidize services in more rural parts of the state. In 2003, state operating support of \$1.75 million annually was rescinded and OPB is now principally supported by private contributions and other funds, with less than 10% coming from the federal government sources.

## 2. The Impact of the Report and Order

Since the Commission's actions of January 24, 2008, we have evaluated the cost and effort that would be involved in completing the *Standardized Television Reporting Form 355* on a quarterly basis. Based on a review of the form and an analysis of the information that will need to be gathered, OPB would need to create a half-time position at an annual cost of approximately \$25,000.

OPB's public file is made up of approximately 12,500 pages for our television stations and more than 11,000 for our radio stations. In order to make this public file available on the internet, we would incur the following costs:

<u>One-Time Costs</u>	
Personnel	\$ 4,700
Copying/scanning	\$ 2,200
Web development	<u>\$20,000</u>
	\$26,900

<u>Ongoing Costs for Updates</u>	
Personnel	\$ 5,076

## 3. Potential Impact of the Localism Notice of Proposed Rulemaking

The Commission's stated intent with the NPRM is to *promote localism by providing viewers and listeners greater access to locally responsive programming including, but not limited to, local news and public affairs matter.*

OPB produces many programs that reach both urban and rural populations and that directly address this intent. We operate a large news department with more than 20 reporters, editors, producers and technicians, who cover issues in both rural and urban areas of the state. OPB has three separate radio news bureaus including Portland, Salem (the state capital), and Bend (in Central/Eastern Oregon), and produces a daily one-hour radio program that specifically addresses issues of local concern. OPB also produces two weekly television series – *Oregon Field Guide* and *Oregon Art Beat* – that cover issues related to the environment and the arts, and a series of six to eight locally-relevant historical documentaries annually. We also offer a variety of government hearings and programming from the university system on *The Oregon Channel*, a digital television multicast channel.

Remote operation of distant transmitters and the waiver of the main studio location rules have allowed OPB to extend the reach of its locally responsive public service programming into rural communities at the lowest possible cost. Changing these rules would undermine the economics that allow OPB to serve such a broad and sparsely populated region.

### *A. Staffed Operation and Main Studio Requirement*

It is not clear from the NPRM as to whether or not the Commission is proposing that all waivers of the main studio requirement would be rolled back and whether it contemplates a change in the main studio waiver standard for future public broadcast stations. OPB currently has one main



television studio located in Portland, and main radio studio facilities in Portland and Corvallis. If main studios were to be required at each of our four other television broadcast facilities and seven other radio broadcast facilities, we would need to spend \$1.8 million to construct and equip radio and television studio facilities.

In addition to these one-time costs, our operating costs would increase by \$1.8 million annually as we would have to hire 33.5 full-time equivalent employees who would be deployed to OPB's current nine distinct broadcast transmission sites. We currently have construction permits for additional stations in rural Oregon, which if activated would add \$1.45 million more in annual operating costs due to personnel requirements and \$300,000 in one-time capital costs.

*B. Extending Program Reporting Requirements to Radio*

After reviewing the Standardized Television Reporting Form 355, we estimate that the cost of providing similar information for our radio service would be substantially in excess of the \$25,000 cost for television reporting. I suspect that at least one full-time position would need to be created in order to handle this and possibly more. It's also possible that we will need to develop some tracking or database software.


Through its network of nine non-commercial educational radio stations, OPB offers a news and information service consisting of national programs from NPR and other sources, as well as a significant amount of locally produced news and information. During a typical hour, numerous topics are covered and sometimes as many as 20 different reports are aired. Completing a form similar to 355 for our radio service would require a significant amount of recordkeeping and categorization of thousands of news stories each quarter. This onerous task would require hiring an additional staff member.

It's worth pointing out that nearly every news report and story that OPB provides on its radio service is available to any listener wherever they may be through our website. It seems to me that the wide availability of these stories, which can be viewed or listened to at any time and from any place, provides an incredible level of both accessibility and transparency in our efforts to serve our local communities.

Anyone – supporter, critic, FCC commissioner – has access to this information already and can plainly see the type of public service that OPB provides. It would seem to me that requiring additional data collection, categorization and reporting would only serve to force us to deploy scarce resources away from providing local services and toward reporting about a lessened local service.

Thank you again for your interest in the local perspective, and please let me know if I can provide any additional information that would be helpful.

Sincerely,



Steven M. Bass  
President & CEO